

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

P.04
FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

1. TRANSMITTAL NUMBER:
03-002

2. STATE
CA

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XDK OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 01, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.250

7. FEDERAL BUDGET IMPACT:

a. 2002 \$ 0
b. 2003 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 29R

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-A, Page 29R

10. SUBJECT OF AMENDMENT: The deletion of "Bad Debt" from our OBRA formulas used to calculate
Disproportionate Share Hospital payments.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☒ OTHER, AS SPECIFIED:

The Governor's Office does not wish to review
State Plan Amendments

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stan Rosenstein

14. TITLE:

Deputy Director, Medical Care Services

15. DATE SUBMITTED:

MAY - 7 2003

16. RETURN TO:

Department of Health Services
Attn: State Plan Coordinator
714 P Street, Room 1640
Sacramento, CA 95814

17. DATE RECEIVED:

MAY - 7 2003

18. DATE APPROVED:

DEC 29 2003

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

William Lasowski

22. TITLE:

Acting Deputy Director, CMSO

23. REMARKS:

State: CaliforniaAttachment 4.19-A
Page 29R

WHERE:

DSH_LMT=the OBRA 1993 hospital-specific limit

MCUN_EX=Medi-Cal/Uninsured Expenses

MCUN_RV=Medi-Cal/Uninsured Revenues

The specific elements yielding MCUN_EX and MCUN_RV are described below in paragraphs b and c, respectively.

b. "Medi-Cal/Uninsured Expenses" (MCUN_EX)

(1) "Projected Adjusted Hospital Operating Expenses" is computed from prior year OSHPD data that are projected ("trended") forward into the subject payment adjustment year. Except as provided in subsections 6 or 7, the Department shall use the data from the annual reports filed by hospitals with OSHPD that are used to determine eligibility for payments under the program (the "Hospital Disclosure Reports"). All data from such reports shall be considered to be final for purposes of these calculations as of the February 1 immediately prior to the applicable data determination date for the subject payment adjustment year. "Projected Adjusted Hospital Operating Expenses" is the "Total Operating Expenses" (TOT_OP) as reported on the applicable OSHPD report, minus "CRRP Costs" for the same period (CRRP) as determined by the applicable hospital-specific survey, multiplied by the trend factor (TREND).

The computation of the "Projected Adjusted Hospital Operating Expenses" (PR_ADJOP) is expressed as follows:

$$PR_ADJOP=(TOT_OP-CRRP) \times TREND.$$

The applicable trend factor shall be derived from the Medicare hospital input price index ("Medicare hospital market basket"), developed